

#### **FACT SHEET**

# Commerce Preliminarily Finds Dumping of Imports of Hardwood and Decorative Plywood from the People's Republic of China

- On April 30, 2013, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of hardwood and decorative plywood from the People's Republic of China (China).
- The AD law provides U.S. businesses and workers with a transparent and internationally approved mechanism to seek relief from the market distorting effects caused by injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- Commerce preliminarily determined that producers/exporters in China sold hardwood and decorative plywood in the United States at dumping margins ranging from <u>de minimis</u> to 63.96 percent.
- Mandatory respondents Linyi San Fortune Wood Co., Ltd. and Jiangyang Group both preliminarily
  received <u>de minimis</u> dumping margins. One hundred one other exporters qualified for a separate rate
  of 22.14 percent. All other producers/exporters in China received the China-wide preliminary
  dumping margin of 63.96 percent.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The petitioner for this investigation is the Coalition for Fair Trade of Hardwood Plywood. The members of the Coalition are: Columbia Forest Products (Greensboro, NC); Commonwealth Plywood Inc. (Whitehall, NY); Murphy Plywood (Eugene, OR); Roseburg Forest Products Co. (Roseburg and Dillard, OR); States Industries, Inc. (Eugene, OR); and Timber Products Company (Springfield, OR).
- The merchandise subject to this investigation is hardwood and decorative plywood. Hardwood and decorative plywood is a flat panel composed of an assembly of two or more layers or plies of wood veneers in combination with a core. The veneers, along with the core, are glued or otherwise bonded together to form a finished product. A hardwood and decorative plywood panel must have face and back veneers which are composed of one or more species of hardwoods, softwoods, or bamboo. Hardwood and decorative plywood may include products that meet the American National Standard for Hardwood and Decorative Plywood, ANSI/HPVA HP-1-2009.
- All hardwood and decorative plywood is included within the scope of this investigation, without regard to dimension (overall thickness, thickness of face veneer, thickness of back veneer, thickness of core, thickness of inner veneers, width, or length). However, the most common panel sizes of hardwood and decorative plywood are 1219 x 1829 mm (48 x 72 inches), 1219 x 2438 mm (48 x 96 inches), and 1219 x 3048 mm (48 x 120 inches).

- A "veneer" is a thin slice of wood which is rotary cut, sliced or sawed from a log, bolt or flitch. The face veneer is the exposed veneer of a hardwood and decorative plywood product which is of a superior grade than that of the back veneer, which is the other exposed veneer of the product (i.e., as opposed to the inner veneers). When the two exposed veneers are of equal grade, either one can be considered the face or back veneer. For products that are entirely composed of veneer, such as Veneer Core Platforms, the exposed veneers are to be considered the face and back veneers, in accordance with the descriptions above.
- The core of hardwood and decorative plywood consists of the layer or layers of one or more material(s) that are situated between the face and back veneers. The core may be composed of a range of materials, including but not limited to veneers, particleboard, and medium-density fiberboard (MDF).
- All hardwood and decorative plywood is included within the scope of this investigation regardless of whether or not the face and/or back veneers are surface coated, unless the surface coating obscures the grain, texture or markings of the wood. Examples of surface coatings which may not obscure the grain, texture or markings of the wood include, but are not limited to, ultra-violet light cured polyurethanes, oil or oil-modified or water based polyurethanes, wax, epoxy-ester finishes, and moisture-cured urethanes. Hardwood and decorative plywood that has face and/or back veneers which have an opaque surface coating which obscures the grain, texture or markings of the wood, are not included within the scope of this investigation. Examples of surface coatings which may obscure the grain, texture or markings of wood include, but are not limited to, paper, aluminum, high pressure laminate (HPL), MDF, medium density overlay (MDO), and phenolic film). Additionally, the face veneer of hardwood and decorative plywood may be sanded, smoothed or given a "distressed" appearance through such methods as hand-scraping or wire brushing. The face veneer may be stained.
- The scope of the investigation excludes the following items: (1) structural plywood (also known as "industrial plywood" or "industrial panels") that is manufactured and stamped to meet U.S. Products Standard PS 1-09 for Structural Plywood (including any revisions to that standard or any substantially equivalent international standard intended for structural plywood), including but not limited to the "bond performance" requirements set forth at paragraph 5.8.6.4 of that Standard and the performance criteria detailed at Table 4 through 10 of that Standard; (2) products which have a face and back veneer of cork; (3) multilayered wood flooring, as described in the antidumping duty and countervailing duty orders on Multilayered Wood Flooring from the People's Republic of China, Import Administration, International Trade Administration, U.S. Department of Commerce Investigation Nos. A-570-970 and C-570-971 (published December 8, 2011); (4) plywood which has a shape or design other than a flat panel.
- Imports of the subject merchandise are provided for under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS): 4412.10.0500; 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4070; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175; 4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.2510; 4412.32.2520; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.5600; 4412.39.1000; 4412.39.3000; 4412.39.4011; 4412.39.4012; 4412.39.4019;

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4412.39.4031; 4412.39.4032; 4412.39.4039; 4412.39.4051; 4412.39.4052; 4412.39.4059;
4412.39.4061; 4412.39.4062; 4412.39.4069; 4412.39.5010; 4412.39.5030; 4412.39.5050;
4412.94.1030; 4412.94.1050; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141;
4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.6000; 4412.94.7000; 4412.94.8000;
4412.94.9000; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110;
4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170;
4412.99.4100; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000
4412.10.9000; 4412.31.4080; 4412.32.0570; 4412.32.2530; 4412.94.5100; 4412.94.9500;
4412.99.5115; and 4412.99.9500.
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• In 2012, imports of hardwood and decorative plywood from China were valued at an estimated \$747.9 million.

# **NEXT STEPS**

- Commerce is currently scheduled to make its final determination in July 2013.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of hardwood and decorative plyood from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce or the ITC's final determination is negative, no AD order will be issued. The ITC will make its final injury determination in August 2013.

## PRELIMINARY DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
China	Linyi San Fortune Wood Co., Ltd.	0.62% ( <u>de minimis</u> )
	Jiangyang Group	1.83% ( <u>de minimis</u> )
	Separate Rate Companies (See Attached List)	22.14%
	China-Wide Rate	63.96%

### **CASE CALENDAR:**

EVENT	AD INVESTIGATION	
<b>Petitions Filed</b>	<b>September 27, 2012</b>	
DOC Initiation Date	October 17, 2012	
ITC Preliminary Determination	November 13, 2012	
DOC Preliminary Determination	April 29, 2013	
DOC Final Determination	July 15, 2013 <sup>†</sup>	
ITC Final Determination*	August 27, 2013	
Issuance of Order**	September 3, 2013	

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733 and 735 of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

## **IMPORT STATISTICS:**

CHINA	2010	2011	2012
Value (USD)	651,421,000	632,862,000	747,861,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 4412.10.0500, 4412.31.0520, 4412.31.0540, 4412.31.0560, 4412.31.2510, 4412.31.2520, 4412.31.4040, 4412.31.4050, 4412.31.4060, 4412.31.4070, 4412.31.5135, 4412.31.5155, 4412.31.5165, 4412.31.5175, 4412.31.6000, 4412.31.9100, 4412.32.0520, 4412.32.0540, 4412.32.0560, 4412.32.2510, 4412.32.2520, 4412.32.3135, 4412.32.3155, 4412.32.3165, 4412.32.3175, 4412.32.3185, 4412.32.5600, 4412.39.1000, 4412.39.3000, 4412.39.4011, 4412.39.4012, 4412.39.4019, 4412.39.4031, 4412.39.4032, 4412.39.4039, 4412.39.4051, 4412.39.4052, 4412.39.4059, 4412.39.4061, 4412.39.4062, 4412.39.4069, 4412.39.5010, 4412.39.5030, 4412.39.5050, 4412.94.1030, 4412.94.1050, 4412.94.3111, 4412.94.3121, 4412.94.3131, 4412.94.3141, 4412.94.3160, 4412.94.3171, 4412.94.4100, 4412.94.6000, 4412.94.7000, 4412.94.8000, 4412.94.9000, 4412.99.0600, 4412.99.1020, 4412.99.1030, 4412.99.1040, 4412.99.3110, 4412.99.3120, 4412.99.3130, 4412.99.3140, 4412.99.3150, 4412.99.3160, 4412.99.3170, 4412.99.4100, 4412.99.5710, 4412.99.6000, 4412.99.7000, 4412.99.8000, 4412.99.9000, 4412.10.9000, 4412.31.4080, 4412.32.0570, 4412.32.2530, 4412.94.5100, 4412.94.9500, 4412.99.5115, and 4412.99.9500). Some HTS subheadings are basket categories and may cover both subject and non-subject merchandise.

NOTE: Upon advice from U.S. Customs and Border Protection, the following HTS numbers were added to the scope: 4412.10.9000; 4412.31.4080; 4412.32.0570; 4412.32.2530; 4412.94.5100; 4412.94.9500; 4412.99.5115; and 4412.99.9500.

Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

<sup>\*</sup>This will take place only in the event of a final affirmative determination by Commerce.

<sup>\*\*</sup>This will take place only in the event of final affirmative determinations by Commerce and the ITC.

<sup>\*</sup>Volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.

#### ATTACHMENT I

## **Companies Receiving a Separate Rate**

- Anhui Tiansen Trading Co., Ltd. 1
- Anhui Wanmu Wood Co., Ltd. 2
- 3 Anhui Xinyuanda Wood Co., Ltd.
- 4 Anji Hefeng Bamboo & Wood Industry Co., Ltd.
- 5 Anji Qichen Bamboo Industry Co., Ltd.
- Bergey (Tianjin) International Co., Ltd. 6
- Celtic Co., Ltd 7
- Dehua Tb Industry & Trade Company Limited 8
- Deging Dajiang Import And Export Co., Ltd. 9
- Fengxian Fangyuan Wood Co., Ltd. 10
- Guangxi Guixun Panel Co. 11
- Highland Industries Inc. 12
- Huainan Mengping Import And Export Co., Ltd 13
- Jiangsu Dilun International Trading Co., Ltd. 14
- 15 Jiangsu Eastern Shengxin International Trading Co., Ltd.
- Jiangsu Happy Wood Industrial Group Co., Ltd. 16
- Jiangsu Shengyang Industrial Joint Stock Co., Ltd. 17
- Jiangsu Simba Flooring Co., Ltd. 18
- 19 Jiangsu Top Point International Co., Ltd.
- 20 Jiangsu Vermont Wood Products Co., Ltd
- 21 Jiashan Dalin Wood Industry Co., Ltd.
- 22 Jiaxing Brilliant Import & Export Co., Ltd
- Jiaxing Gsun Imp. & Exp. Co., Ltd 23
- Jiaxing Hengtong Wood Co., Ltd 24
- 25 Jiaxing Kaochuan Woodwork Co.,Ltd
- 26 Joc Yuantai International Trading Co., Ltd.
- 27 Langfang Baomujie Wood Co., Ltd.
- 28 Larkcop International Co., Ltd.,
- 29 Leadwood Industrial Corp.
- Lianyungang Penghai International Trading Co., Ltd. 30
- 31 Lianyungang Yuantai International Trade Co., Ltd.
- Linyi Anshun Timber Co., Ltd. 32
- 33 Linyi City Dongfang Jinxin Economic & Trade Co., Ltd.
- Linyi Dahua Wood Co., Ltd. 34
- 35 Linyi Dongfangjuxin Wood Co., Ltd.
- Linyi Evergreen Wood Co., Ltd. 36
- Linyi Glary Plywood Co., Ltd. 37
- Linyi Hengsheng Wood Industry Co., Ltd. 38

- Lingyi Huasheng Yongbin Wood Co., Ltd. 39
- Linyi Huifeng Wood Industry Co., Ltd 40
- Linyi Jiahe Wood Industry Co., Ltd. 41
- 42 Linyi Kaier International Trade Co., Ltd.
- Linyi King Import And Export Co., Ltd 43
- Linyi Linhai Wood Co., Ltd. 44
- Linyi Mingzhu Wood Co., Ltd 45
- Linyi Tianhe Wooden Industry Co., Ltd. 46
- Linyi Zhongtai Import And Export Co., Ltd. 47
- Pacific Plywood Co., Ltd. 48
- 49 Pingyi Jinniu Wood Co., Ltd.
- Pizhou Hengxing International Trade Co., Ltd. 50
- Qingdao King Sports Products Technology Co., Ltd 51
- Qingdao Top P&Q International Corp. 52
- Qufu Luhan Woodwork Co., Ltd 53
- Qufu Shengfu Wood Work Co., Ltd. 54
- Shandong Anxin Timber Co., Ltd. 55
- Shangdong Huaxin Jiasheng Wood Co.,Ltd. 56
- 57 Shandong Jinli Imp.&Exp. Co., Ltd.
- Shandong Qishan International Trading Co., Ltd. 58
- Shandong Union Wood Co., Ltd. 59
- Shandong Xingang Group 60
- Shanghai Aviation Import & Export Co., Ltd. 61
- Shanghai Futuwood Trading Co., Ltd. 62
- Shanghai Luli Trading Co., Ltd. 63
- Shanghai Mailin International Trade Co., Ltd. 64
- Shanghai S&M Trade Co., Ltd. 65
- Shanghai Senda Fancywood Industry Co. 66
- Shouguang Sanyang Wood Industry Co., Ltd. 67
- Siyang Enika International Trade Co., Ltd. 68
- Sumec International Technology Co., Ltd 69
- Suqian Foreign Trade Co., Ltd. 70
- Suqian Hopeway International Trade Co., Ltd 71
- Suzhou Dongda Wood Co., Ltd. 72
- Suzhou Fengshuwan Import And Export Trade Co., Ltd 73
- Suzhou Oriental Dragon Import And Export Corp. Ltd. 74
- Wenzhou Eita Import & Export Co., Ltd. 75
- Xuzhou Antop International Trade Co., Ltd. 76
- Xuzhou Baoqi Wood Product Co., Ltd. 77
- Xuzhou Chengxin Wood Co., Ltd. 78
- Xuzhou Ekea International Trade Co., Ltd 79
- Xuzhou Hansun Import & Export Co., Ltd 80

- 81 Xuzhou Hongda Wood Co., Ltd
- Xuzhou Pengyu Wood Products Co., Ltd. 82
- Xuzhou Pinlin International Trade Co., Ltd. 83
- 84 Xuzhou Runjin Import & Export Trade Co., Ltd.
- Xuzhou Sanli Wood Co., Ltd. 85
- Xuzhou Shenghe Wood Co., Ltd. 86
- Xuzhou Shengping Import & Export Co., Ltd. 87
- Xuzhou Sincere Wood Co., Ltd. 88
- Xuzhou Tianshan Wood Co., Ltd 89
- Xuzhou Timber International Trade Co., Ltd. 90
- Xuzhou Weilin Wood Co., Ltd. 91
- Xuzhou Zhongda Building Materials Co., Ltd. 92
- Yijiang Wood Products (Kunshan) Co., Ltd. 93
- Yinhe Machinery Chemical Limited Company Of Shandong Province 94
- Yishui Hongtai Wood-Made Co., Ltd 95
- Yutai Zezhong Wood Co., Ltd. 96
- Zhejiang Anji Tiancheng Flooring Co., Ltd. 97
- Zhejiang Dehua Tb Import & Export Co., Ltd 98
- 99 Zhejiang Shenghua Yunfeng Import & Export Co., Ltd.
- Zhejiang Xinyuan Bamboo Products Co., Ltd. 100
- Zhejiang Yongyu Bamboo Joint-Stock Co., Ltd. 101